

APR 28 '08 -2 00 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A LESTER



April 28, 2008

Ms. Anne K. Quinlan, Esq.
Acting Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Loan Agreement, dated as of March 18, 2008, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Borrowers:	Permian Basin Railways, Inc. Isla Largo, LLC Central Car Repair, LLC 118 South Clinton Street, Suite 300 Oswego, IL 60661
Lender:	Fifth Third Bank 222 South Riverside Plaza, 32nd Floor Chicago, IL 60606

Ms. Anne K. Quinlan, Esq.
April 28, 2008
Page 2

A description of the railroad equipment covered by the enclosed document is:

25 railcars: TKEN 49633, TKEN 71302, TKEN 71313 and within the series TKEN 2149 - TKEN 2197 and TKEN 10404 - TKEN 10419, as more particularly set forth in the attachment to the document

A short summary of the document to appear in the index is:

Memorandum of Loan Agreement.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal stroke extending to the right.

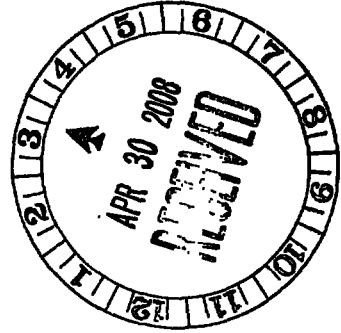
Robert W. Alvord

RWA/sem
Enclosures

RECORDATION NO. 27480 FILED

APR 28 '08 -2 00 PM

SURFACE TRANSPORTATION BOARD



MEMORANDUM OF LOAN AGREEMENT

(Promissory Note dated March 18, 2008)

Dated as of March 18, 2008

between

FIFTH THIRD BANK,
Lender

and

PERMIAN BASIN RAILWAYS, INC., ISLA LARGO, LLC,

AND CENTRAL CAR REPAIR, LLC

individually and collectively, the "Borrower"

Filed with the Surface Transportation Board pursuant to
49 U.S.C. § 11301 on _____, 2008, at ____:____.M
Recordation Number _____

MEMORANDUM OF LOAN AGREEMENT

THIS MEMORANDUM OF LOAN AGREEMENT dated as of March 18, 2008, is made by and between **PERMIAN BASIN RAILWAYS, INC.** a corporation, **ISLA LARGO, LLC, AND CENTRAL CAR REPAIR, LLC** both limited liability companies (individually and collectively, the "Borrower"), and **Fifth Third Bank**, a Michigan corporation ("Lender").

W I T N E S S E T H

1. Pursuant to a Master Loan and Security Agreement, dated March 18, 2008, together with Promissory Note dated March 18, 2008 (collectively, the "Loan Agreement"), Lender has agreed to extend financing to Borrower, and the Borrower has agreed to finance from Lender the acquisition of certain railroad equipment or rolling stock bearing the description set forth on Exhibit A attached hereto.

2. The Loan Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the financing term and any extensions as defined in the Loan Agreement.

3. The Loan Agreement does not contain a hereafter acquired clause.

4. This Memorandum of Loan Agreement may be executed in duplicate originals and any number of counterparts and by different parties in separate counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Loan Agreement to be signed and sealed by their respective corporate officers as of the date and year first above written.

Lender:

FIFTH THIRD BANK

By

Name: Gerald Whitfield, VP

Title: _____

STATE OF OHIO)
) ss.:
COUNTY OF HAMILTON)

On this _____ day of _____, 2007, before me the subscriber personally appeared _____, who being by me duly sworn, did depose and say: that he is a _____ of FIFTH THIRD BANK the corporation described in and which executed the foregoing instrument and that he signed his name thereto by order of the Board of Directors of said corporation.

Paula D. McQueen
NOTARY PUBLIC

My Commission Expires: 10-14-08



PAULA D. MCQUEEN
Notary Public, State of Ohio
My Commission Exp. Oct. 14, 2008

[Lender signature page]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Loan Agreement to be signed and sealed by their respective corporate officers as of the date and year first above written.

BORROWER:

PERMIAN BASIN RAILWAYS, INC.

By: 

Name: JACK DAPKUS

Title: Vice President

BORROWER:

CENTRAL CAR REPAIR, LLC

By: 

Name: JACK DAPKUS

Title: Vice President

BORROWER:

ISLA LARGO, LLC

By: 

Name: JACK DAPKUS

Title: Vice President

STATE OF OHIO)

COUNTY OF Cook)

ss.:

On this 26 day of March, 2008, before me the subscriber personally appeared Jack Dapkus who being by me duly sworn, did depose and say: that (s)he is a Vice President of Permian Basin, an Delaware corporation, described in and which executed the foregoing instrument and that (s)he signed his/her name thereto by order of the Board of Directors of said corporation.


NOTARY PUBLIC

My Commission Expires:

04.14.09

[Borrower signature page]

EXHIBIT A
EQUIPMENT DESCRIPTION

Loan and Promissory Note: Promissory Note dated as of March 18, 2008 Master Loan and Security Agreement dated as of March 18, 2008.

Lender: Fifth Third Bank

Borrower: PERMIAN BASIN RAILWAYS, INC. a corporation, ISLA LARGO, LLC, AND CENTRAL CAR REPAIR, LLC both limited liability companies

Vendor: Tealinc, LTD
Twenty-Five (25) railcars

TKEN	2149
TKEN	2150
TKEN	2152
TKEN	2153
TKEN	2154
TKEN	2155
TKEN	2156
TKEN	2160
TKEN	2173
TKEN	2174
TKEN	2175
TKEN	2176
TKEN	2177
TKEN	2178
TKEN	2179
TKEN	2180
TKEN	2194
TKEN	2197
TKEN	10404
TKEN	10414
TKEN	10415
TKEN	10419
TKEN	49633
TKEN	71302
TKEN	71313